IN THE HIGH COURT OF PUNJAB AND HARYANA AT CHANDIGARH

ITR No.31 of 1997
Date of decision:22.11.2006

Commissioner of Income Tax, Patiala

....Petitioner

versus

New Punjab Skin Co.Samrala Road, Ludhiana

....Respondent

CORAM: HON'BLE MR. JUSTICE ADARSH KUMAR GOEL
HON'BLE MR. JUSTICE RAJESH BINDAL

Present: Mr. SK Garg Narwana, Advocate, for the revenue.

JUDGMENT:

Following questions of law have been referred for opinion of this Court by the Income Tax Appellate Tribunal, Chandigarh Bench, Chandigarh (for short, 'the Tribunal') arising out of its order dated 27.2.1992 in ITA No.1410/CHANDI/90, for the assessment year 1987-88:-

> "Whether, on the facts and in the circumstances of the case, deletion of addition of Rs.2,56,814/- made on account of difference between the value of the stock shown by the assessee in the stock statement filed before the banks and the value of the stock shown in the books of account of the assessee, was sustainable in law?"

The Assessing Officer found difference in the value of stock in the books of account and in the statement furnished to the bank and on that basis, made addition to the income of the assessee. Addition was reduced by the CIT(A) but the Tribunal deleted the addition on the basis of concession made by the department's representative in view of earlier orders of the Tribunal.

We find that the issue has been examined in several decisions of this Court including in ITA No.358 of 2006, T**he Commissioner of Income tax, panchkula v. M/s. Chauhan papers Pvt. Limited, Chhoti**

Line, Yamunanagar, decided on 12.10.2006 and it has been held that statement furnished to the bank could not be taken as conclusive and if there was a valid explanation by the assessee, the addition only on the ground of difference in value of stock as per the statement in bank account could not be justified.

In the present case, learned counsel for the revenue has not been able to show that the view taken by the Tribunal is, in any manner, perverse, particularly when the department's representative had conceded the issue before the Tribunal.

In view of the above, the question referred is answered against the revenue and in favour of the assessee.

Reference is disposed of accordingly.

(Adarsh Kumar Goel)
Judge

November 22, 2006 (Rajesh Bindal)
'gs' Judge